

## Fiscal Estimate — 2003 Session

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB Number	Amendment Number if Applicable
<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental	Bill Number	Administrative Rule Number NR 216

### Subject

Revise Chapter NR 216, Wis. Adm. Code

### Fiscal Effect

State: ☐ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.

- |                                                          |                                                                |
|----------------------------------------------------------|----------------------------------------------------------------|
| <input type="checkbox"/> Increase Existing Appropriation | <input checked="" type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues            |
| <input type="checkbox"/> Create New Appropriation        |                                                                |

☒ Increase Costs — May be possible to absorb  
within agency's budget.

☐ Yes ☒ No

☐ Decrease Costs

Local: ☐ No Local Government Costs

1. ☒ Increase Costs  
☐ Permissive ☒ Mandatory

2. ☐ Decrease Costs  
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues  
☐ Permissive ☐ Mandatory

4. ☐ Decrease Revenues  
☐ Permissive ☐ Mandatory

5. Types of Local Governmental Units Affected:

☒ Towns ☒ Villages ☒ Cities

☒ Counties ☒ Others

☐ School Districts ☐ WTCS Districts

### Fund Sources Affected

☐ GPR ☐ FED ☒ PRO ☐ PRS ☐ SEG ☐ SEG-S

### Affected Chapter 20 Appropriations

### Assumptions Used in Arriving at Fiscal Estimate

Revisions to NR 216 are necessary to bring the state's storm water permitting program into compliance with federal Phase II Storm Water regulations. These regulations, which became effective in March 2003, have three major impacts: 1) They require certain industrial facilities that were previously exempt from storm water permitting to certify to the state that they have no exposure to storm water; 2) They increase the number of municipalities required to obtain a permit from 70 to 250, and 3) They reduce the size of construction sites that are required to obtain a permit from 5 acres of land disturbing activity to 1 acre. These federal requirements will have the following workload impacts on the state's storm water permitting program: 1) An estimated 16,000 industrial facilities will be required to provide no-exposure certification. This will entail establishing a program to communicate the requirements to affected stakeholders, developing processes, forms and a database, and conducting compliance inspections. This represents a 466% increase in the number of facilities and an estimated increase of 19,000 hours annually or 60% (50,667 hours total) to administer the industrial portion of the program; 2) Each municipality covered under a permit requires between 125 and 225 hours annually depending on the size and complexity of the system. The hours estimated to provide technical assistance and issue permit coverage to the 250 communities required to obtain permits under federal Phase II regulations is 34,818 hours. The 250 municipal permits now required represent a 257% increase in the number of permitted municipalities in the state. 3) EPA estimates that the reduction of the construction site permit threshold from 5 acres to 1 acre will add between five and ten times the number of permitted construction sites. Using the lowest estimate, this will result in 3,000 construction sites needing permits (up from 500 sites currently). This will require 28,880 hours to conduct permit submittals, plan reviews, and site visits.

### Long-Range Fiscal Implications

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## Fiscal Estimate — 2003 Session

### Page 2 Assumptions Narrative Continued

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#### Assumptions Used in Arriving at Fiscal Estimate – Continued

To administer the storm water permitting program according to federal guidance, a total of 59.8 FTE are required statewide (24.5 FTE for industrial facilities, 16.3 FTE for municipal permits and 19.0 FTE for construction sites). The program currently supports 9.5 FTE statewide. Through a triage process to review and inspect only those sites that pose the highest environmental risk, it is estimated that the program can meet minimal requirements with 20.0 FTE positions statewide- an increase of 10.5 FTE positions (with 8.5 FTE regional positions, 1.0 FTE environmental warden position and 1.0 FTE central office engineering position).

Section 283.33(9)(b) requires the department to establish fee for "permits for construction sites, other industrial permits and municipal separate storm sewer permits based on the costs associated with each type of permit". The workload analysis conducted for this estimate indicates that each permit class requires the following percentage of total effort: industrial - 41.0%, municipal - 27.3% and construction sites - 31.7%. Under the current fee structure, unchanged since 1994, 68.7% of total 2002 revenue was provided through industrial fees, 12.3% from municipal fees and 19.0% from construction site fees.

This rule revision proposes a fee structure for storm water permits to provide support commensurate with the workload required to conform to federal regulations, and to better balance the fees with the relative work required for each permit class. Fees for industrial facility storm water permits are currently \$200 annually for heavy industry (Tier 1) and \$100 annually for light industrial facilities (Tier 2). This revision proposes fees of \$260 and \$130 annually for Tier 1 and Tier 2 permits respectively. It would provide 41.7% of total revenues compared with 41.0% of the workload, and represents a 2.65% annual increase for the ten years since the fees were established.

Fees for municipal permits are currently \$10,000 annually for permits that cover populations of 100,000 or greater and \$5,000 annually for permits that cover populations under 100,000. This creates significant inequities when viewed per capita (pc) basis since smaller communities would pay over \$19.00 annually pc while the largest communities would pay less than 5 cents pc. While this can be mitigated by communities grouping together for one permit, this option is not available in many areas. The proposed fee structure provides more gradations for communities of various sizes, and would provide 27.0% of total revenues compared with 27.3% of the workload. Some examples of annual municipal fees are Racine - \$10,000 (0.12), West Bend - \$4,000 (0.14 pc), Onalaska - \$2,000 (0.13) and Kohler - \$250 (0.13).

Construction sites presently pay a \$200 fee for coverage under the state construction site erosion control permit regardless of the size or the complexity of the site. The proposed fee structure recognizes that larger sites require more review and generally pose greater environmental risk. The proposed fees are \$350 for sites over 25 acres, \$235 for sites between 5 and 25 acres and \$140 for sites between 1 and 5 acres. This will provide 31.3% of total revenue compared with 31.7% of the workload.

The proposed fee structure is intended to provide adequate revenues to administer the program through 2008. Storm water program revenue fund condition estimates project that the fund will end FY2004 with a balance of \$342,000 which will gradually be reduced to a negative \$175,534 by the end of FY2009 if no further adjustments are made.

## Fiscal Estimate Worksheet — 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject

Revise Chapter NR 216, Wis. Adm. Code

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations — Salaries and Fringes		\$ 531,900	\$ -
(FTE Position Changes)		( 10.50 FTE )	( - FTE )
State Operations — Other Costs		106,500	-
Local Assistance			-
Aids to Individuals or Organizations			-
Total State Costs by Category		\$ 638,400	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS		638,400	-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Revenue	Decreased Revenue
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS		734,780	-
SEG/SEG-S			-
Total State Revenues		\$ 734,780	\$ -

### Net Annualized Fiscal Impact

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$ 638,400	\$ 246,600
Net Change in Revenues	\$ 734,780	\$ 0

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